

Frequently Asked Questions

Healthfirst/Health Management Systems (HMS) Provider Disallowance Program

Healthfirst has contracted with Health Management Systems (HMS) to help identify other third-party coverage for their Medicaid members. Through the disallowance process, HMS has identified occasions on which Healthfirst has paid a provider for a claim (or for claims) for which another payer is liable.

In this recovery project, HMS will notify the provider that the claim has been paid incorrectly and request that the provider bill the appropriate entity. HMS will supply the provider with a notification letter and claim-audit details, as well as with a window in which to bill the liable payer and receive the recovery. At the end of the notification period, Healthfirst will retract the Medicaid payments for the claim(s) that has been identified. In several instances, the provider will receive a higher reimbursement from the other carrier than they would have if Medicaid paid.

Why am I being asked to do this?

Federal law requires that Medicaid recover its payments when a liable third party is identified. Healthfirst has asked HMS, as a valued partner, to assist in this process. HMS is conducting this project to ensure Healthfirst has paid claims correctly on its Medicaid members. Additionally, because this is a financial benefit to the provider, the hospitals have approached Healthfirst about this program and asked that it be implemented.

What can Healthfirst expect?

Each quarter, HMS sends a preapproval listing for Healthfirst to review and approve. Upon approval, HMS will send the providers a notification letter as well as audit details. At the end of each provider notification period, HMS will also send Healthfirst an offset file that includes all the claims that Healthfirst can retract from the providers.

What should the providers do when HMS contacts them?

Review the claims on the audit detail and use the information HMS supplied to bill the appropriate carrier. If there are any questions/concerns, HMS has a dedicated provider relations team to assist. Should the provider agree with the findings, they can take an active or a passive approach to informing HMS: the providers can contact the provider relations department, or simply take no action and allow Healthfirst to recoup the original Medicaid payment amount.

How accurate is the information being provided by HMS?

HMS verifies 100% of all other coverage segments before sending to providers. Therefore, the providers will have the most accurate and up-to-date information to ensure that the provider will be armed with the information necessary to receive a reimbursement from the carrier.

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How long is the provider notification period?

Providers will have 75 calendar days from the date HMS sends the initial provider notification letter. If additional time is needed, the provider can contact the HMS Provider Relations Team for further assistance.

What if providers have questions or concerns regarding a claim?

Contact a member of the HMS Provider Relations Team. The Provider Relations Team is a dedicated team for handling questions, concerns, and correspondence with providers throughout the disallowance process.

How do providers reach the HMS Provider Relations Team?

The Provider Relations Team can be contacted by calling 1-866-987-1742, Monday to Friday, 9am–5pm. For after-hours calls, please leave a message; a member of the team will return your call in 24–48 business hours. Additional contact details:

HMS/Healthfirst – CI Disallowance Project Health Management Systems, Inc.
Third Party Liability Service Center
5615 High Point Drive, Suite 100
Irving, TX 75038
1-866-987-1742 (phone)
1-877-256-1226 (fax)